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Taxpayers can now remit estimate payments, tax notice payments and return payments on the internet for Meals and Rentals Tax. You may also file the returns on the internet. For more information, please visit our web site.

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(603) 271-6121**

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**COMMUNITY SERVICES DIVISION, 57 Regional  
Drive, PO Box 487, Concord, NH 03302-0487 (603)  
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**DISCOVERY BUREAU, PO Box 457, Concord, NH  
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John Lighthall, Operations Manager

**DOCUMENT PROCESSING DIVISION, PO Box 637,  
Concord, NH 03302-0637 (603) 271-2186**

Taxpayer Assistance (603) 271-2186  
DRA Web Site: [revenue.nh.gov](http://revenue.nh.gov)  
Tax Forms - State of NH (603) 271-2192

**HEARINGS BUREAU, 57 Regional Drive, PO Box  
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Mark J. Bennett, Hearing Officer

**LOW AND MODERATE INCOME HOMEOWNERS  
PROPERTY TAX RELIEF, PO Box 299, Concord, NH  
03302-0299 (603) 271-6000**

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF REVENUE ADMINISTRATION**

**FREQUENTLY ASKED QUESTIONS  
(FAQ's)  
MEALS & RENTALS TAX  
(M&R)  
RSA 78-A REV 700**



The New Hampshire Department of Revenue Administration offers this publication of answers to the most frequently asked questions. While we have attempted to identify the most common concerns, this publication does not address every situation, set of facts, or circumstances. Our goal is to develop a tax administration system that is fair and efficient, with taxpayers having the highest degree of confidence in the integrity of the Department.

Should you have questions or wish to request additional educational services or publications for use in state tax instruction, please feel free to send your request in writing to our NH DRA Customer Education Committee, PO Box 457, Concord, NH 03302-0457.

Visit us on the web @:  
**[revenue.nh.gov](http://revenue.nh.gov)**

**Q: What is the Meals & Rentals Tax?**

**A:** An 8% tax is assessed upon patrons of hotels and restaurants, on rooms and meals costing \$.36 or more. An 8% tax is also assessed on motor vehicle rentals. Motor vehicle fees, other than the Motor Vehicle Rental Tax, are administered by the NH Department of Safety (RSA 261). For more information on motor vehicle fees, please contact the NH Department of Safety, 10 Hazen Drive, Concord, NH 03305. (603) 271-2382.

**Q: Who pays it?**

**A:** The tax is paid by the consumer and collected by operators of hotels, restaurants, or other businesses providing taxable meals, room rentals, and motor vehicle rentals. Approved seasonal operators must file reports for each month of their approved season even if no tax is due.

**Q: When is the tax due?**

**A:** The tax is due on the 15<sup>th</sup> day of the month following the taxable period. Electronic filing, via touch tone telephone and personal computer, are available to Meals and Rentals Operators. A paper return is not required if filing electronically, but operators must retain the meals and rentals worksheet.

**Q: Do I need to file a return every month even if I have no activity?**

**A:** Yes, you must file a return even if you have had no activity during your scheduled reporting periods.

**Q: Do I need a separate license for catering?**

**A:** Yes, an additional separate license is required for serving of meals at various locations for occasions such as but not limited to banquets, weddings, barbecues, outings, picnics, etc.

**Q: Who do I contact with filing and licensing questions?**

**A:** Collection Division, PO Box 454, Concord, NH 03302-0454, or call (603) 271-3701.

**Q: What records do I need to keep and for how long?**

**A:** Keep all records used to record and report your Meals & Rentals Tax for three (3) years. This includes the telefile worksheet, e-file screen prints, cash receipts journals, cash disbursement journal, general ledger, payroll records, complete cash register tapes, guest checks and registration cards, bank statements with all enclosures and any other source document used in your accounting records. If you sell both taxable and non-taxable items, it is a requirement to maintain those records which justify non-taxable sales.

**Q: Under what conditions is the 3% Timely Filing Commission denied?**

**A:** Operators may take the 3% commission only if they meet all of the following requirements: (1) Keep the prescribed records; (2) File the return timely; (3) Pay the tax due timely; (4) Have no outstanding prior balance due, and (5) File the return by the proper method (electronic filing is required for all operators having \$25,000 or more in taxable revenue in a calendar year). Operators required to file electronically, but choosing to file paper returns, shall not be allowed to deduct the 3% commission.

**Q: I have received a credit memo from the Department. How/when can I use the credit?**

**A:** If you have received a credit memo from the department, the credit amount indicated may be used to reduce a subsequent payment. To utilize the credit, enter the amount on Line 14 of the Meals & Rentals Tax worksheet. NOTE: Do not utilize any credit amount until you have received a credit memo from the department.

**Q: Are non-profits exempt from the Meals & Rentals Tax?**

**A:** No blanket Meals & Rentals Tax exemption exists for anyone, including non-profit organizations. However, there are limited exemptions for instrumentalities of the state of New Hampshire or the federal government. Please refer to the department's administrative rule Rev 702.09(a)(4) for criteria.

If you have any questions about tax exempt sales, please call the department for clarification at 603-271-3400. The State of New Hampshire does not issue Meals & Rentals Tax exempt certificates.

**Q: Are gratuities and service charges taxed?**

**A:** Gratuities and other service charges are not taxable when the charge is (a) not used as a supplement or in lieu of wages, or for managerial bonuses; (b) the charge is paid to the service personnel providing the service for which the gratuity was charged; (c) the charge is separately stated on the occupant's receipt or contract; (d) the charge is usual and customary; and (e) records must be maintained to substantiate the distribution of the gratuity. For more clarification please see TIR 2002-004.

**Q: How should I handle coupon and discount sales?**

**A:** The tax should be applied to the sale amount after the discount or coupon reduction has been taken.

**Q: Are function room rentals taxable?**

**A:** Yes, any type of room rentals in a hotel (or any facility with sleeping accommodations) are subject to the tax.

**Q: When is long term room rental subject to the meals & rentals tax?**

**A:** Tax must be collected on all room rentals of less than 185 consecutive days. When a patron reaches the 185<sup>th</sup> consecutive day of occupancy the operator must refund to the patron the tax monies that have been collected. The operator must then send to the New Hampshire Department of Revenue Administration verification of the refund (a copy of the canceled check or a signed statement from the patron that he/she has received the refund) along with documentation supporting the length of occupancy. The Department will then issue a credit memo. Once the credit memo is received, the operator may use it to reduce a subsequent tax payment. The credit memo amount should be entered on Line 14 of the Meals & Rentals Tax worksheet. NOTE: Operators may not utilize any credit amount until they have received a credit memo from the department.

**Q: How are bakery products taxed?**

**A:** All bakery products sold in quantities of less than six from a restaurant are taxable. A bakery is classified as a restaurant when it offers other taxable items for sale such as, but not limited to, coffee, soda, sandwiches, salad bars and/or prepared foods. The taxability of bakery products is not affected by whether the bakery product is served to be eaten on the premise or on a to go basis.

**Q: Are party platters taxable? Even if I am not serving?**

**A:** Yes, party platters such as, but not limited to, vegetable, meat, dessert, fruit, hors d'oeuvres, are taxable whether delivered, picked up, served or not.

**Q: Is alcohol subject to the Meals and Rentals tax?**

**A:** Yes, beer, wine and liquor served by a restaurant are subject to the tax, even if served without food.

**Q: What charges associated with automobile rentals are taxable?**

**A:** All charges included in the rental agreement are taxable including but not limited to airport fees, drop off fees and under age fees. The following items are not subject to the tax when separately stated in the agreement:

- (a) Charges for fuel;
- (b) Charges for insurance;
- (c) Charges for damages.

**Q: What about long term automobile rentals?**

**A:** If the motor vehicle lease or rental agreement does not exceed 180 consecutive days, the lease or rental is subject to the Meals and Rentals Tax. Utilize the amount of the most recent credit memo you have received as the total is cumulative.